

Proposed Supplemental Charter.

SPECIAL REPORT

OF THE

GOVERNOR AND COMMITTEE

OF THE

HUDSON'S BAY COMPANY,

TO BE

LAI D BEFORE THE SHAREHOLDERS

On WEDNESDAY, MARCH 9th, 1892.

LONDON:

DARLING & SON, Limited,

Printers to Her Majesty's Stationery Office,

31, Eastcheap, and 1-3, Great Saint Thomas Apostle, E.C.

1892.

HUDSON'S BAY COMPANY.

A GENERAL COURT of the Governor and Company of Adventurers of England, trading into Hudson's Bay, will be held at the City Terminus Hotel, Cannon Street, London, E.C., on Wednesday, the 9th March next, at Twelve o'clock, when Resolutions to the following effect will be submitted :—

1. That the Governor and Committee be and are hereby authorised to accept a Supplemental Charter in the form now submitted to the General Court of the Company with such modifications (if any) as may be imposed by the Crown and sanctioned by the Governor and Committee.
2. That from and immediately after the date of the grant of the Supplemental Charter the Bye-Laws of the Company, numbered 1, 2, 4, 11, 12, 22, 27, and 30, be revoked, and cease to have effect. The Court will also be asked to consider, and, if thought fit, to ordain that from and after the date of the grant of the said Supplemental Charter the new Bye-Laws (copies of which are hereto subjoined), with or without such modifications (if any) as the Court may think fit, be added to and form part of the Bye-Laws of the Company.

Words and expressions used in the Charter have the same meaning in the following Bye-Laws, unless there is something in the subject or context inconsistent therewith.

The Register of Members, provided by the last Supplemental Charter, shall be open to the inspection of any Member during business hours, but subject to such reasonable restrictions as the Board may impose, so that not less than two hours in each day be appointed for inspection; and any Member may require a copy of such Register, or any part thereof, on payment previously of sixpence for every hundred words required to be copied.

The Accounts of the Company shall be made up, stated and balanced, and audited to the 31st day of May, or such other date each year as may be found convenient, and printed copies of the Statement of Accounts and Balance-Sheet shall be sent to the Members at least seven days previous to the General Court, at which the Statement of Accounts and Balance-Sheet are submitted.

The Transfer Books of the Company will be closed on the 26th instant, and re-opened on the 10th of March.

By order of the Governor, Deputy Governor, and Committee of the said Company.

HUDSON'S BAY HOUSE,

W. ARMIT,

Secretary.

LONDON, *February* 22nd, 1892.

PROPOSED SUPPLEMENTAL CHARTER.

SPECIAL REPORT.

THE Directors have now to report that, in conformity with the instructions of the Shareholders, they have taken steps to ascertain the terms on which the Crown Authorities would grant the Proprietors the option to duplicate their Shares. The Directors have taken this opportunity of applying for such further amendments and additions to the existing Charters as the present and prospective circumstances of the Company appear to require.

The accompanying Draft Charter is the result of these negotiations, and in the event of the Proprietors approving the provisions contained therein, the Directors have reason to believe that no objection thereto will be raised by the Crown Authorities.

The provisions of the proposed Supplemental Charter may be briefly summarised, as follows :—

- (1.) To provide that any Shareholder, who may so desire, may duplicate his present Shares, receiving a Preferred Share of £13 and a Deferred Share of £13 for each present Share of £13. (See paragraphs 3 and 4.)
- (2.) To authorise the application of the proceeds of land sales to profit and loss. (See paragraph 5.)
- (3.) To modify the provisions as to voting. (See paragraph 7.)
- (4.) To enable the Company, by resolution of a General Meeting, to issue Debentures not exceeding the amount of £250,000, if at any time such a course should be thought desirable. (See paragraph 10.)

(5.) To enable the Board—

(a) To declare interim Dividends.

(b) To reduce the number of Directors at any time from 9 to 7.

(c) To call the General Court in any month of the year most convenient to the Company.

(6.) To amend the provisions for the registration of Shares; to provide for the division of the assets of the Company on winding up; and to make various other provisions incidental to the changes contemplated.

The Directors believe that the provisions of the Draft Charter will be beneficial to the Company, and they therefore recommend its adoption by the Shareholders.

If the new Charter is accepted by the Shareholders, certain modifications in the existing Bye-Laws will be necessary in order to bring them into conformity with the terms of the new Charter. The proposed alterations are now submitted, together with a new Bye-Law (No. 2), to enable Shareholders to inspect the Register of Members.

The resolutions set out in the notice convening the meeting will be submitted to the Shareholders.

On behalf of the Committee,

LICHFIELD,

Deputy-Governor.

DRAFT SUPPLEMENTAL CHARTER.



VICTORIA, by the Grace of God, of the United Kingdom of Great Britain and Ireland Queen, Defender of the Faith, To all to whom these presents shall come Greeting.

WHEREAS by a Royal Charter granted on 2nd May in the 22nd year of the reign of his late Majesty King Charles the Second (hereinafter in this Our Charter described as "the original Charter") the Petitioners were incorporated as a Company by the name of "The Governor and Company of "Adventurers of England trading into Hudson's Bay" (hereinafter described as "the Company") with perpetual succession and a common seal for the purpose amongst other things of trading within the territories therein and hereinafter described as Rupert's Land.

AND WHEREAS by the original Charter it was provided that it should and might be lawful for the Company for the time being or the greater part of them which then should happen to be present at any public assembly commonly called the Court General to be holden for the Company in each and every year between the first and last day of November to elect and nominate one of the Company who should be Governor of the Company for one whole year then next following and to elect and nominate one of the Company who should be Deputy-Governor of the Company for one whole year then next following and to elect and nominate

seven of the Company who should be a Committee of the Company which Committee or any three of them together with the Governor or Deputy-Governor for the time being should in the manner therein mentioned have the managing and handling of all Business affairs and things belonging to the Company.

AND WHEREAS by the original Charter the Company were empowered amongst other things to have purchase receive possess enjoy and retain Lands Rents Privileges Liberties Jurisdictions Franchises and Hereditaments and to give grant demise alien assign and dispose of Lands Tenements and Hereditaments and to do and execute all and singular other things by the same name that to them should or might appertain to do.

AND WHEREAS by the original Charter his said Majesty was graciously pleased to grant and confirm unto the Company the sole trade and commerce of Rupert's Land and to create and constitute the Company the true and absolute Lords and Proprietors of Rupert's Land saving always the Faith Allegiance and Sovereign Dominion due to His Majesty his heirs and successors to have and to hold in free and common soccage.

AND WHEREAS by the original Charter the Company were further empowered to assemble themselves and to hold Court and therein to make such reasonable Laws Constitutions Orders and Ordinances as to them or the greater part of them being then and there present should seem necessary and convenient for the good government of the Company and for the better advancement of their trade and plantations and at their pleasure to revoke and alter the same.

AND WHEREAS by the original Charter it was further provided that in all elections and bye-laws to be made by the General Court of the Adventurers of the Company every person should have a number of votes according to his stock

that was to say for every £100 by him subscribed or brought into the then present stock one vote and that any of those who had subscribed less than £100 might join their respective sums to make up £100 and have one vote jointly for the same and not otherwise.

AND WHEREAS in the year 1863 in pursuance of the powers in the said original Charter conferred upon them the Company ordered that the capital stock of the Company should be £2,000,000 divided into 100,000 shares of £20 each.

AND WHEREAS by "The British North America Act 1867" it was enacted that it should be lawful for Us by and with the advice of Our Most Honourable Privy Council on Address from the Houses of Parliament of the Dominion of Canada to admit Rupert's Land into Union with the said Dominion on such terms and conditions as should be in the Address expressed and as we should think fit to approve and it was further enacted that the provisions of any Order in Council in that behalf should have effect as if it had been enacted by the Parliament of the United Kingdom.

AND WHEREAS by "Rupert's Land Act 1868" it was enacted that it should be competent for the Company to surrender to Us and for Us by any Instrument under Our Sign Manual and Signet to accept a surrender of all or any of the Lands Territories Rights Privileges Liberties Franchises Powers and Authorities whatsoever granted or purported to be granted to the Company upon such terms and conditions as should be agreed upon by and between Us and the Company ; provided however that such surrender should not be accepted by Us until the terms and conditions upon which Rupert's Land should be admitted into the said Union should have been approved by Us and embodied in an Address to Us from both Houses of the Parliament of the Dominion of Canada.

AND WHEREAS in accordance with the said last-mentioned Act the Company duly surrendered and We by an Instrument

under Our Sign Manual and Signet bearing date the 22nd June 1870 duly accepted the surrender of all Rights Privileges Liberties Franchises Powers and Authorities and all the Lands and Territories in the said surrender mentioned (except and subject to the terms in the said surrender mentioned) granted or purported to be granted to the Company.

AND WHEREAS Addresses were duly presented to Us in accordance with the said two last-mentioned Acts and in accordance with the terms and conditions therein set forth We were pleased to order by and with the advice of our Privy Council on the 23rd June 1870 that Rupert's Land should become part of the Dominion of Canada; that Canada should pay to the Company £300,000; that certain blocks of land adjoining the Company's posts should vest in the Company; that the Company might for fifty years after the said surrender claim in any township or district in the Fertile Belt as in the said Order defined in which land should be set out for settlement grants of land not exceeding one-twentieth part of the lands so set out and that the Company should be at liberty to carry on their trade without hindrance in their corporate capacity.

AND WHEREAS the said sum of £300,000 was duly paid and was applied by the Company in the reduction of their said capital stock of £2,000,000 by returning to each proprietor £3 for every share held by him.

AND WHEREAS from time to time parts of the lands granted to the Company in pursuance of the said Order in Council of 1870 were sold and the proceeds for the most part similarly applied by the Company in the further reduction of their said capital stock which now amounts to £1,300,000 divided into 100,000 shares of £13 each.

AND WHEREAS on the 9th September in the 48th year of Our reign by a supplemental Charter the provisions of the said original Charter were annulled so far as they were

inconsistent with the provisions of the said supplemental Charter and it was provided amongst other things that the said Governor Deputy-Governor and Committee (therein and hereinafter described as the Board) should be enabled to act by any four members thereof whether the Governor or Deputy-Governor should form one of such four or not ; that a General Court for the Company should be held every year at such place and on such day in November or December as might be appointed by the Board ; that every question submitted to a General Court should be decided by a show of hands unless a poll were demanded by at least five present at such General Court and holding in the aggregate not less than one hundred shares ; that in computing the majority when a poll shall be demanded reference should be had to the number of votes to which each member should be entitled by the said supplemental Charter ; that every member of the Company should have one vote for every five shares in the Company held by him and that any of those members who held less than five shares might join their respective shares so as to make up five or more shares and have one vote jointly for the same ; that votes might be given personally or by proxy ; that the Chairman might with the consent of the meeting adjourn any General Court and that at every General Court three members of the Board should retire in rotation as therein mentioned but should be eligible for re-election.

AND WHEREAS Bye-Laws of the Company have been made under the powers and subject to the provisions of the said Charters.

AND WHEREAS a humble Petition has been presented to Us in Our Council by the Company wherefrom it appears that some of the provisions of Our Charters granted to the Company have become inconvenient and detrimental to the present and prospective interests of the Company and the Company pray that a further supplemental Charter may

be granted embodying provisions such as are in the said Petition expressed to be now necessary or desirable.

NOW THEREFORE We having taken the said Petition into Our Royal consideration in our Council and being satisfied that the intentions of the Petitioners are praiseworthy do will ordain grant and declare as follows (that is to say) :—

Repeal of provisions of the previous Charters inconsistent herewith.

1. The several provisions contained in the said original Charter and in Our Charter supplemental thereto of the 9th September 1884 shall so far as they are inconsistent with the provisions contained in this Our Charter on and after the day on which this Our Charter takes effect cease to be in force and be annulled.

Capital of the Company.

2. The Company's present capital stock of £1,300,000 shall be called "the ordinary stock" and the existing 100,000 shares of £13 each in the ordinary stock shall be called "the ordinary shares" of the Company. Certificates of shares shall as heretofore be issued and signed by the Secretary or some other person appointed by the Board.

Voluntary conversion of ordinary shares into preferred and deferred shares by way of duplication.

3. The Company upon application as hereinafter mentioned may from time to time convert the ordinary shares referred to in such application into shares of two classes the one to be and to be called preferred shares and the other deferred shares subject to the provisions and with the incidents following (that is to say) :—

Application.

(a) Any holder or holders of ordinary shares may at any time by application in writing require the Company to convert the whole or any part of such shares held by him or them into preferred shares and deferred shares by way of duplication that is to say one preferred share and one deferred share (each of the nominal amount of £13) shall be issued in substitution for one ordinary share and so in proportion for any greater number of shares.

(b) The board may from time to time make regulations with respect to the notice to be given of such application and the dates on which such conversion shall take place ;

Regulations.

(c) The certificates for any ordinary shares to be so converted shall before such conversion be delivered up to the Company and cancelled and certificates for the preferred shares and deferred shares substituted therefor shall be issued in exchange and signed by the Secretary or some other person appointed by the Board ;

Certificates for converted shares.

(d) If in any case there are any ordinary shares held by a member and comprised in one certificate which he does not desire to be converted or which are incapable of conversion under the provisions of this Our Charter the Company shall issue to him a certificate for the ordinary shares which he does not desire to be converted or which are incapable of conversion together with the certificates of the preferred or deferred shares to be issued to him ;

New certificates for shares not converted.

(e) The terms and conditions on which preferred shares or deferred shares are issued shall be stated on the certificate thereof ;

Statement of terms on certificates.

(f) The books of the Company shall continue to shew that the capital stock of the Company amounts to £1,300,000 but there shall be also set forth in addition thereto the number of ordinary of preferred and of deferred shares into which the said capital stock may in all or in part have been converted.

Classification of shares in the books.

4. The Company at a General Court may declare a dividend to be paid to the members out of the profits arising from the undertaking of the Company but no

Declaration of dividend

larger dividend shall be declared than that recommended by the Board and the total dividend so declared shall be divided into 100,000 equal portions ;

Dividend
on ordi-
nary
shares.

(a) The holders of ordinary shares shall be entitled to receive in respect of each share one such portion by way of dividend ;

Dividend
on pre-
ferred and
deferred
shares.

(b) The preferred and deferred shares issued in substitution for any ordinary share shall together be credited with the same portion of dividend as that to which the ordinary share would but for the conversion have been credited ;

Apportion-
ment be-
tween pre-
ferred and
deferred
shares.

(c) Such portion of dividend shall be apportioned between the holders of the preferred and deferred shares in the following manner in so far as the same is sufficient for that purpose that is to say : first in the payment of a cumulative dividend at the rate of four per centum per annum to the holder of the preferred share ; secondly in the payment of a noncumulative dividend up to eight per centum per annum to the holder of the deferred share ; and thirdly, in the payment of any balance in equal portions to the holders of the preferred and deferred shares ; but so nevertheless that one preferred and one deferred share shall together be credited with the same amount of dividend in each year as one ordinary share and no more ; provided always that for the purpose of apportioning dividends between the holders of preferred and deferred shares all shares at whatever time converted shall be deemed to have been converted on the 1st July 1891 and all dividends paid on any ordinary share on or after that date until conversion shall from and after conversion be deemed to have been apportioned between the preferred and deferred

shares as if the conversion had taken place on the 1st July 1891 and all subsequent dividends shall continue to be apportioned on the same footing ;

(d) The Board may if in their opinion the position of the Company justifies it declare an interim dividend and such dividend shall be divided among the members in the same manner as afore-said provided always that no interim dividend shall be paid in respect of any deferred share until the cumulative dividend on the preferred share shall have been provided for up to the end of the then current year.

Interim
dividend.

5. The sums received by the Company in respect of the sale of lands may (subject to the provisions hereinafter contained) be applied in the payment of dividends on the shares of the Company to the same extent and in the same manner as the profits from the Company's commercial undertaking provided ;

Dividends
out of pro-
ceeds of
land sales.

(a) That no sums received from the sale of lands shall be so applied unless the Directors of the Company are satisfied upon each occasion of such application that the value of the unsold lands of the Company together with the other assets of the Company are sufficient to meet all the liabilities of the Company including the nominal paid up Capital and

(b) If and when the lands held by the Company have been reduced so as not to exceed 1,500,000 acres all further moneys realised by the sale of the said lands shall not be treated as divisible profits but shall be applied in reduction of the capital and other liabilities of the Company in such manner as (subject to the provisions of Our Charters) the Company may determine.

Until re-
duction to
1,500,000
acres.

Division of
the assets
on winding
up.

6. In the event of the winding up of the Company the total sum available for division between the holders of ordinary shares and preferred and deferred shares shall be divided into 100,000 portions and thereupon the holder of each ordinary share shall be entitled to receive one such portion and the preferred and deferred shares issued in substitution for any ordinary share shall together be credited with one such portion and such portion shall be divided between the holders of the preferred and deferred shares in the following manner in so far as the same is sufficient for that purpose that is to say :—first in the payment of £13 to the holder of the preferred share and secondly in the payment of any balance to the holder of the deferred share.

Votes of
Members.

7. At every General Court every member of the Company shall have one vote for every five ordinary shares three votes for every twenty preferred shares one vote for every twenty deferred shares held by him and any of those members who hold less of any class of shares than is sufficient to enable them to vote may join their respective shares of the same class so as to make so many of any class as would be sufficient to enable the holder thereof to vote and may vote accordingly ; provided nevertheless that no member shall have more than 400 votes and provided also that no member shall be entitled to vote or to join with any other member or members in making up a joint vote at any General Court in respect of any shares or share unless he shall have been the holder of such shares or share for six calendar months prior to such General Court but members who convert into preferred and deferred shares during the said six months shall if at the time of the General Court they continue to hold the same shares have the same voting power as if they had not converted during the said six months.

8. The Company shall cause to be kept in one or more books a register of its members and there shall be entered therein the following particulars :—

Register of
Members.

(a) The names and addresses of the members of the Company and a statement of the shares of each class held by each member distinguishing each share by a number ;

(b) The date at which the name of any person was entered in the register as a member ;

(c) The date at which any person ceased to be a member.

9. The Company may require that in the case of shares to which several persons are jointly entitled all the shares to which such persons are so entitled shall be registered in the same name or names and in the same order of names and the Company shall not be bound to register the holders of any shares in cases to which this paragraph applies otherwise than in accordance with this paragraph. Where at the time of the granting of this Our Charter any persons are registered otherwise than as aforesaid the Company may amend the register in accordance with this paragraph.

Provisions
as to re-
gistration
of shares
in joint
names.

In case of the death of any one or more of the joint holders of any shares the survivors shall be the only persons recognised by the Company as having any title to or interest in such shares and such one of such joint holders as they shall in manner from time to time required by the Board in that behalf appoint or in default of such appointment the first-named of such joint holders or surviving joint holders in the Register shall alone be entitled to receive notices and to attend and vote at meetings of members in respect of such shares.

Not more than four persons shall after the granting of this Our Charter be entered in the register as the holders of any share.

Power to
raise
£250,000 by
debentures

10. The Company may from time to time in accordance with a resolution of a General Court borrow or raise money on debentures debenture stock or debenture bonds and secure any money so raised or borrowed and interest thereon at any rate not exceeding four pounds per centum per annum payable half yearly by mortgage or charge of the undertaking or by mortgage or charge of all or any of the real and personal property present or future of the Company or by both such securities and with such conditions as to price of issue right and price of redemption priorities over members and otherwise as may be prescribed by such resolution provided nevertheless that the total capital debt outstanding under this Article of this Our Charter shall not at any time exceed £250,000.

Qualifica-
tion of
directors.

11. No person shall be qualified to become a member of the Board unless he shall hold in his own right not less than 60 ordinary shares or not less than 60 preferred and 60 deferred shares.

Number
and
rotation of
directors.

12. The Board including the Governor and Deputy Governor shall consist of not less than seven but not more than nine members and one third of the Directors or the nearest number thereto shall retire each year, provided always that every member of the Board shall retire every three years. Such retirement shall take place in the manner and with the incidents prescribed in the said Charter of the 48th year of Our reign.

Time of
General
Court.

13. The General Court of the Company shall be held every year at such place and on such day of such month as may be appointed by the Board any thing in the Original Charter or Our said Supplemental Charter to the contrary notwithstanding.

Marginal
notes.

14. The marginal notes in this Our Charter shall not affect the interpretation thereof.

In witness whereof We have caused these Our Letters to be made patent.

Witness Ourselves at, &c.

Proposed alterations in Bye-Laws:—

The following Bye-Laws Nos. 1 and 2 to be
revoked :—

1. *In the following Bye-Laws, unless there is something in the subject or context inconsistent therewith :—* Interpreta-
tion.

*“The Company” means the Hudson’s Bay Com-
pany.*

*“Charter” includes the original and any supple-
mental Charter.*

*“Capital” means the Capital for the time being
of the Company.*

“Shares” means Shares in the Capital.

*“Board” means the Governor, Deputy-Governor
and Committee assembled at a Board.*

*“Office of the Company” means the principal Office
of the Company in the City of London.*

“Month” means calendar month.

*“In writing” means written or printed, or
partially written and partially printed.*

2. *The Company shall cause to be kept, in one or more books, a Register of its Members, and there shall be entered therein the following particulars :—* Register of
Members.

*The names and addresses of the Members of the
Company and a statement of the Shares held by
each Member, distinguishing each Share by a
number.*

*The date at which the name of any person was
entered in the Register as a Member.*

The date at which any person ceased to be a Member.

The following Bye-Laws Nos. 1 and 2 to be adopted :—

- | | |
|--|--|
| Interpreta-
tion. | 1. Words and expressions used in the Charters have the same meaning in the following Bye-Laws, unless there is something in the subject or context inconsistent therewith. |
| Inspection
of Registers
of Mem-
bers. | 2. The Register of Members provided by the last Supplemental Charter shall be open to the inspection of any Member during business hours, but subject to such reasonable restrictions as the Board may impose, so that not less than two hours in each day be appointed for inspection ; and any Member may require a copy of such Register, or any part thereof, on payment previously of sixpence for every hundred words required to be copied. |

— — —

The following Bye-Laws Nos. 12 and 22 to be revoked :—

- | | |
|-------------------------------|---|
| General
Meetings. | 12. <i>In addition to the Annual General Court of the Company directed to be held by the Charter, a General Court of the Company may be held at such place in the City of London, and on such day in June or July, as the Board shall from time to time appoint ; and at such Court the annual accounts of the Company shall be submitted.</i> |
| Accounts to
be made
up. | 22. <i>The Accounts of the Company shall be made up, stated and balanced, and audited to the 31st day of May, or such other date each year as may be found convenient, and printed copies of the Statement of Accounts and Balance-Sheet shall be sent to the Members at least seven days previous to the Annual General Court in the following June or July.</i> |

The following Bye Law to be adopted :—

The accounts of the Company shall be made up, stated, balanced, and audited to the 31st day of May or such other date in each year as may be found convenient, and shall be submitted to a General Court in each year, and printed copies of the Statement of Accounts and Balance Sheet shall be sent to the Members, at least seven days previous to the General Court at which the Statement of Accounts and Balance Sheet are submitted.

Accounts to
be made
up.

The following Bye Laws Nos. 4, 11, 27 and 30 being provided for by the Charter to be revoked :

4. *Certificates of Shares shall be issued and signed by the Secretary or some other person appointed by the Board.*
11. *In case of the death of any one or more of the joint holders of any Shares, the survivors shall be the only persons recognised by the Company as having any title to or interest in such Shares; and such one of such joint holders as they shall in manner from time to time required by the Board in that behalf appoint, or in default of such appointment the first-named of such joint holders or surviving joint holders in the Register shall alone be entitled to receive Notices, and to attend and vote at Meetings of Members in respect of such Shares.*

Issue of
Certifi-
cates.


Rights of
Joint
Holders.

Declara-
tion of
Dividend,
&c.

27. *The Company at a General Court may declare a Dividend, or an Interim Dividend to be paid to the Members out of the profits arising from the business of the Company, and they may order the payment to the Members of any sums out of the proceeds of the sales of land or other Capital funds belonging to the Company.*

Qualifica-
tion.

30. *The qualification of every Member of the Board shall be the holding in his own right of not less than 60 Shares.*



10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

—